

Transcript

August 27, 2012

Good morning everyone, I am Linda Balzotti, and I am the proud and privileged mayor of this great city of champions and I am proud to welcome you here this morning so that you can see and learn how we as a community have been able to work collaboratively to address foreclosed home and vacant homes that impact the families and businesses owners in our great city. We are a city of nearly 100,000 residents and our diversity and size is an asset, but it also means that problems and difficulties are sometimes felt more acutely. We have continually been at the top or near the top of the list for the number of foreclosures in the state, a list that no community wants to be the leader on. Utilizing CDBG home funds, NSP funding and the Attorney General's receivership program, we have been able to help families get back into foreclosed and vacant properties just like you see in this home on Laureston Street that is underway right now. This would not be possible without the collaboration of agencies like the Attorney General's Office and the US Department of Housing and Community Development and programs like HomeCrops, which funding is available to help our local efforts. With assistance from agencies such as the Department of Housing and Community Development, Southeastern Massachusetts Affordable Housing Corporation, the Brockton Housing Partnership, Brockton Housing Authority, Neighborhood Housing Services, the Massachusetts Housing Partnership, Mass Housing, and Mass Housing Investment Corp.

We are making strides in Brockton. As you can see, it's not easy, we have a lot of partners and we're proud of it. Last year we began a process of setting up an abandoned property ordinance in the city, the ordinance requires those with an abandoned property to register with the city and pay an annual fee. This list is shared among our city departments that enforce building, health and safety codes to make sure our housing and commercial property stock is in compliance with all regulations.

We will continue to work to support homeowners, connect them with the resources to educate them, and try to help them from going into foreclosure before it happens. We want to thank everyone for their continued support of our ongoing efforts and the insight to develop new programs that meet the needs of at risk homeowners in Brockton and other cities in the Commonwealth. I am so pleased to be able to welcome here today Secretary Donovan and Attorney General Martha Coakley, without the help of both of their agencies the projects and the work and the real progress we're making in this city would not be possible. And I have the great privilege to introduce a woman who has really been, for me, a major support in my three years in office. The city has truly progressed, thanks to her leadership, the programs that she's created and help that have truly been of assistance to the city. There are many people that can create programs, but it's the follow through that matters and she has been fabulous to this community and I can't truly express the thanks I would like to give her for helping us, so without further ado I would like to introduce to you with great pride, the Attorney General of the Commonwealth of Massachusetts, Martha Coakley.

(Attorney General Coakley) Thank you very much Linda, on a morning like this it is true that Brockton rocks! And Mayor Balzotti rocks too in my book because she has done a fabulous job

in a time that one of the toughest jobs in the Commonwealth is being the mayor of a city like Brockton, she has done a superb job, as she is here with us today on this project, she really cares about Brockton and does a terrific job. I want to thank Secretary Donovan for coming here today, you're going to hear from him shortly, but I really want to say what a terrific partner he has been at every stage of trying to get this settlement done, the kinds of monies the states have been able to see as a result of the national settlement would not have happened without the efforts, the untiring efforts, of Secretary Donovan and we're really pleased to welcome him to Brockton today. We have with us also Register John Buckley who has been a tremendous partner in trying to sort through the many problems we have with abandoned and foreclosed properties with his work as Register of Deeds. And Representative Mike Buckley who has also been a big supporter of the efforts in Brockton to make sure that we keep people in their homes and when we cannot, that we can turn the properties around as we see here today.

We just had a chance to go through the home behind us, soon to be home. What's wonderful about these projects is that we take these properties and we turn them into homes. Turn them into places where families can live and grow and start to turn around as we do this work, home by home, block by block and city by city, again keeping in mind that this is a concrete example of what we can do in each city in Massachusetts despite the fact that we are still struggling from the economic downturn and the foreclosure crisis that have ravaged so many individuals, families and our cities and towns.

And so when we can work Mayor Balzotti, with our Abandon Housing Initiative, and I'm happy that many from our terrific team from the AGO are here today; we have support from our Government Bureau, from other parts of the office who have worked in our office to make sure that these receiverships happen, but that's only one little piece of what makes it work, as Mayor Balzotti pointed out, this is a true partnership. Every single one of these homes requires that kind of cooperation and collaboration and as we know, as the receiver told us, when you look at an old home and start to redo it, you find some problems. We know that every time we look at one of these homes, we find some problems, but we are committed to sticking through and seeing this done for every home that we need to.

Our Abandon Housing Initiative already in our enforcement and our actions in our office has recovered over \$660 million for borrowers and we have kept 15,000 in their homes to date. But beyond our enforcement efforts, we also do take pride in making sure that it works, that we implement it and one example is what you see here today, our ability to get a place like 117 Laureston Street, which is next door and 113 behind us, part of the program habitable again, so that they can be homes. We now have 255 houses in 29 communities on our active list. We have already completed 130, and in Brockton alone, we've worked on more than 40 properties and we are going to continue to do that here.

There's more to be done. So with the help of Secretary Donovan and the National Mortgage Settlement in April we were able to launch another new program called HomeCorps. It is a comprehensive, first in the nation initiative that provides a couple of things; direct support to every distressed borrower in the Commonwealth to avoid unnecessary foreclosures. We're really proud of all of our loan modification specialists who work on the phone, in person, one by one, with people who have trouble turning this around and who can if they get the right help, stay

in their homes and avoid unnecessary foreclosure. If they are eligible, then we will work with them to make sure that that loan modification occurs. If they are not eligible and foreclosure is inevitable, then we work with them to make sure they get other legal assistance to avoid homelessness and to make sure that if they have legal claims they can be assisted. We launched this program in May, we've already received 7,800 calls to our hotline; that's more than 50 people a day calling saying I need help, many of them are people who never needed this kind of help before. And we now have 2,700 open cases of people that we are trying to help stay in their homes. It shows the scope of the problem, but it also shows that if we work together, like we are today, we can make a difference keeping people in their homes and when that property has been abandoned, turning it back to be a home for someone else.

We're really proud to say and I know Mayor Balzotti appreciates this because she will put every dollar to work. A grant of \$250,000 has gone to the Brockton Redevelopment Authority, we announced this week as part of that national mortgage settlement. I believe that this is the single biggest challenge we will have in helping to turn our economy around, but we can meet it and we are going to continue to do that so I am really proud to be here with Mayor Balzotti and with Secretary Donovan. As I said earlier, I'm firmly convinced that without his relentless and tireless committed effort to get that settlement done we would not be standing here today. Thank you.

(Secretary Donovan) Thank you so much, it's wonderful to be with you all here in Brockton on such a beautiful day and I want to start by thanking Attorney General Coakley. We had the chance to get to know each other pretty well through this process, 16 months of sometimes difficult negotiations, late night calls, weekends, to try and get this settlement done. And I will tell you, there is nobody that fights harder for the families in Massachusetts and frankly families facing this challenge across the country than Attorney General Martha Coakley. She was magnificent in these negotiations. I saw her as one of my go to partners in terms of trying to get this done and you have a special attorney general here in the Commonwealth of Massachusetts, let's give her a round of applause.

I also want to say, Mayor, thank you for the incredible work that you and your team have done, my Regional Director Barbara Fields is here, I know that you talk to her on a regular basis on the ways that we can work together. You talked about a long list of partners, I often say that it takes a village to rebuild a village; we are glad to be one of those partners and to be working so closely with you and congratulations on what you've done so far and what lies ahead of us. I look forward to further work together.

You've heard Attorney General Coakley talk about the importance of this mortgage servicing settlement. This is the single largest joint state/federal settlement in the history of our country. And it took 24 Republican attorneys general and 25 Democratic attorneys general coming together, setting aside party, differences of geography and deciding to do something big, something that could make a real difference, not just for individual homeowners but for whole neighborhoods and our economy; and it is making a real difference already. We expect more than 10,000 families across Massachusetts to be able to benefit from the help that it will provide, about \$300 million in total assistance to families across Massachusetts. It will help reduce the principle balance of loans for families that are struggling. It will help families refinance to these

record low interest rates that we have today, the lowest 30 year mortgage rates in the history of our country, and it will put in place a new homeowner bill of rights that will protect homeowners when they are getting a loan and once they have that loan. No more dropped calls or lost calls, no more lost paperwork, no more runaround from the banks and if they continue to do that, if they continue those practices, we have the teeth with the attorneys general to be able to hold those lenders responsible, that's what this settlement means. And it's even more important with tens of thousands of dollars that have come directly to the attorney general, we've seen her put that money to work in incredibly smart ways, ways that are going to make a difference through housing counseling and legal services, we know that a family that is struggling is twice as likely to be able to get help and stay in their home if they get access to a housing counselor and to legal services, so she has invested her money into that as part of HomeCorps and that's incredibly important. And families should know, anybody who is watching out there should know, that there is free help available to you. If somebody is trying to charge you upfront to help you keep your home, it's probably a scam, you should reach out to the Attorney General's Office, you should reach out to a HUD certified counselor that can provide free assistance, call the HOPE hotline 888-999-HOPE, go to HUD's website at HUD.gov, there is free help out there to help connect you to these solutions. And I hope other families will come tomorrow to a housing counseling fair at Gillette Stadium in Foxboro where we are working together with the state and local agencies to provide as much help in person at Gillette Stadium, so come to that event as well to get help.

Now, as the Attorney General said, even when we can't keep a family in a home, there can be important things that we can do to help families find rental housing, to stay housed, but there are also important things that we can do for neighborhoods and that's really what we're here about today. It is so important that we provide this kind of assistance because, as you all know, as soon as a foreclosure sign goes up next door, even if you are doing everything right, paying your mortgage every month, your own home loses five to ten thousand dollars in value. On a street like this, which has seen more than half a dozen foreclosures when the mayor came in to start, the impact can be devastating. And so we need to reverse that spiral of decline and that's what we're doing, working together with the HomeCorps program for the Attorney General, resources from the city and the resources that we bring and the Obama administration brings to the table.

We know that when we make those investments, what we see neighborhoods start to turn around. Our neighborhood stabilization program, which has been part of the effort on this street, 75% of the neighborhoods where we've targeted our neighborhood stabilization investments, those neighborhoods have started to recover and their home prices are rising faster than surrounding communities. And that doesn't just mean more jobs, construction workers have been put back to work here, we met the receiver this morning, a local business has put folks back to work on this street, but we also know that it starts to restore the dreams of families in these communities. What do people do with their home equity? That's how they send their kids through college, that's how they start small businesses, that's how they save for retirement and so when we start to restore the home values in an entire neighborhood, we start to restore those dreams and that's what this effort is about, that's what HomeCorps is about, that's what the Obama is doing in neighborhoods like this all around the country and all around the Commonwealth and that's what the mayor is focused on. We need to make sure that this settlement works. I can guarantee you that the Attorney General and I will be watching closely, holding the banks feet to the fire to

make sure that deliver, but I can also make sure that we will be working with the mayor to make sure that the damage that was done is reversed and that we can restore not only houses, not only neighborhoods, but the dreams of families here in Brockton and across the Commonwealth. Thank you all for joining us today.